



BILLING CODE: 8070-01-P

FEDERAL HOUSING FINANCE AGENCY

[No. 2016–N–10]

Proposed Collection; Comment Request

AGENCY: Federal Housing Finance Agency.

ACTION: 60-day Notice of Submission of Information Collection for Approval from Office of Management and Budget.

SUMMARY: In accordance with the requirements of the Paperwork Reduction Act of 1995, the Federal Housing Finance Agency (FHFA or the Agency) is seeking public comments concerning the currently-approved information collection known as “Members of the Banks,” which has been assigned control number 2590-0003 by the Office of Management and Budget (OMB). FHFA intends to submit the information collection to OMB for review and approval of a three-year extension of the control number, which is due to expire on December 31, 2016.

DATES: Interested persons may submit comments on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Submit comments to FHFA, identified by “Proposed Collection; Comment Request: ‘Members of the Banks, (No. 2016-N-10)’” by any of the following methods:

- Agency Website: www.fhfa.gov/open-for-comment-or-input.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments. If you submit your comment to the Federal

eRulemaking Portal, please also send it by e-mail to FHFA at RegComments@fhfa.gov to ensure timely receipt by the agency.

- Mail/Hand Delivery: Federal Housing Finance Agency, Eighth Floor, 400 Seventh Street SW., Washington, DC 20219, ATTENTION: Proposed Collection; Comment Request: “Members of the Banks, (No. 2016-N-10)”.

We will post all public comments we receive without change, including any personal information you provide, such as your name and address, email address, and telephone number, on the FHFA website at <http://www.fhfa.gov>. In addition, copies of all comments received will be available for examination by the public on business days between the hours of 10 a.m. and 3 p.m., at the Federal Housing Finance Agency, Eighth Floor, 400 Seventh Street SW., Washington, DC 20219. To make an appointment to inspect comments, please call the Office of General Counsel at (202) 649-3804.

FOR FURTHER INFORMATION CONTACT: Jonathan F. Curtis, Financial Analyst, Division of Federal Home Loan Bank Regulation, by email at Jonathan.Curtisj@fhfa.gov or by telephone at (202) 649-3321; or Eric Raudenbush, Associate General Counsel, by email at Eric.Raudenbush@fhfa.gov or by telephone at (202) 649-3084, (these are not toll-free numbers), Federal Housing Finance Agency, 400 Seventh Street SW., Washington, DC 20219. The Telecommunications Device for the Hearing Impaired is (800) 877-8339.

SUPPLEMENTARY INFORMATION:

A. Need For and Use of the Information Collection

The Federal Home Loan Bank System consists of eleven regional Federal Home Loan Banks (Banks) and the Office of Finance (a joint office that issues and services the

Banks' debt securities). The Banks are wholesale financial institutions, organized under authority of the Federal Home Loan Bank Act (Bank Act) to serve the public interest by enhancing the availability of residential housing finance and community lending credit through their member institutions and, to a limited extent, through certain eligible nonmembers. Each Bank is structured as a regional cooperative that is owned and controlled by member institutions located within its district, which are also its primary customers. The Banks carry out their public policy functions primarily by providing low cost loans, known as advances, to their members. With limited exceptions, an institution may obtain advances and access other products and services provided by a Bank only if it is member of that Bank.

The Bank Act limits membership in any Bank to specific types of financial institutions located within the Bank's district that meet specific eligibility requirements. Section 4 of the Bank Act specifies the types of institutions that may be eligible for membership and establishes eligibility requirements that each type of applicant must meet in order to become a Bank member.¹ That provision also specifies that (with limited exceptions) an eligible institution may become a member only of the Bank of the district in which the institution's "principal place of business" is located.² With respect to the termination of Bank membership, section 6(d) of the Bank Act sets forth requirements pursuant to which an institution may voluntarily withdraw from membership or a Bank may terminate an institution's membership for cause.³

FHFA's regulation entitled "Members of the Banks," located at 12 CFR part 1263, implements those statutory provisions and otherwise establishes substantive and

¹ 12 U.S.C. 1424(a).

² 12 U.S.C. 1424(b).

³ 12 U.S.C. 1426(d).

procedural requirements relating to the initiation and termination of Bank membership. Many of the provisions in the membership regulation require that an institution submit information to a Bank or to FHFA, in most cases to demonstrate compliance with statutory or regulatory requirements or to request action by the Bank or Agency.

In total, there are four types of information collections that may occur under part 1263. First, the regulation provides that (with limited exceptions) no institution may become a member of a Bank unless it has submitted to that Bank an application that documents the applicant's compliance with the statutory and regulatory membership eligibility requirements and that otherwise includes all required information and materials.⁴ Second, the regulation provides applicants that have been denied membership by a Bank the option of appealing the decision to FHFA. To file such an appeal, an applicant must submit to FHFA a copy of the Bank's decision resolution denying its membership application and a statement of the basis for the appeal containing sufficient facts, information, and analysis to support the applicant's position.⁵ Third, the regulation provides that, in order to initiate a voluntary withdrawal from Bank membership, a member submit to its Bank a written notice of intent to withdraw.⁶ Fourth, under certain circumstances, the regulation permits a member of one Bank to transfer its membership to a second Bank "automatically" without either initiating a voluntary withdrawal from the first Bank or submitting a membership application to the second Bank. Despite the regulatory reference to such a transfer as being "automatic," a member meeting the criteria for an automatic transfer must initiate the transfer process by filing a request with

⁴ 12 CFR 1263.2(a), 1263.6-1263.9, 1263.11-1263.18.

⁵ 12 CFR 1263.5.

⁶ 12 CFR 1263.26.

its current Bank, which will then arrange the details of the transfer with the second Bank.⁷

The Banks use most of the information collected under part 1263 to determine whether an applicant satisfies the statutory and regulatory requirements for Bank membership and should be approved as a Bank member. The Banks may use some of the information collected under part 1263 as a means of learning that a member wishes to withdraw or to transfer its membership to a different Bank so that the Bank can begin to process those requests. In rare cases, FHFA may use the collected information to determine whether an institution that has been denied membership by a Bank should be permitted to become a member of that Bank.

The OMB control number for this information collection is 2590-0003, which is due to expire on December 31, 2016. The likely respondents are financial institutions that are, or are applying to become, Bank members.

B. Burden Estimate

FHFA has analyzed the time burden imposed on respondents by the four collections under this control number and estimates that the average annual burden imposed on all respondents by those collections over the next three years will be 2,193 hours. This estimate is derived from the following calculations:

I. Membership Applications

FHFA estimates that the average number of applications for Bank membership submitted annually will be 151 and that the average time to prepare and submit an application and supporting materials will be 11.7 hours. Accordingly, the estimate for the

⁷ 12 CFR 1263.4(b), 1263.18(d), (e).

annual hour burden associated with preparation and submission of applications for Bank membership is $(151 \text{ applications} \times 11.7 \text{ hours per application}) = 1,767 \text{ hours}$.

II. Appeals of Membership Denial

FHFA estimates that the average number of applicants that have been denied membership by a Bank that will appeal such a denial to FHFA will be 1 and that the average time to prepare and submit an application for appeal will be 10 hours.

Accordingly, the estimate for the annual hour burden associated with the preparation and submission of membership appeals is $(1 \text{ appellants} \times 10 \text{ hours per application}) = 10 \text{ hours}$.

III. Notices of Intent to Withdraw from Membership

FHFA estimates that the average number of Bank members submitting a notice of intent to withdraw from membership annually will be 276 and that the average time to prepare and submit a notice will be 1.5 hours. Accordingly, the estimate for the annual hour burden associated with preparation and submission of notices of intent to withdraw is $(276 \text{ withdrawing members} \times 1.5 \text{ hours per application}) = 414 \text{ hours}$.

IV. Requests for Automatic Transfer of Membership

FHFA estimates that the average number of Bank members submitting a request for automatic transfer to another Bank will be 1 and that the average time to prepare and submit a request will be 1.5 hours. Accordingly, the estimate for the annual hour burden associated with preparation and submission of requests for automatic transfer is $(1 \text{ transferring member} \times 1.5 \text{ hours per request}) = 1.5 \text{ hours}$.

C. Comment Request

FHFA requests written comments on the following: (1) Whether the collection of information is necessary for the proper performance of FHFA functions, including whether the information has practical utility; (2) The accuracy of FHFA's estimates of the burdens of the collection of information; (3) Ways to enhance the quality, utility, and clarity of the information collected; and (4) Ways to minimize the burden of the collection of information on survey respondents, including through the use of automated collection techniques or other forms of information technology.

Dated: September 30, 2016.

Kevin Winkler,
Chief Information Officer,
Federal Housing Finance Agency.

[FR Doc. 2016-24345 Filed: 10/6/2016 8:45 am; Publication Date: 10/7/2016]